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ABSTRACT

This pamphlet is designed to explain the Supplemental Security Income (SSI) program to individuals with disabilities and their families. Myths about SSI are debunked and the benefits of receiving SSI are explained. Eligibility requirements for SSI and Medicaid are outlined. The pamphlet describes SSI work incentives that allow participants to receive a paycheck and still keep part of their SSI payment and retain Medicaid benefits. The pamphlet also explains Impairment Related Work Expenses, a program that allows deductions for disability-related services that enable an individual to work. (CR)

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National Transition Network

Parent Brief

Supplemental Security Income (SSI) Program

January 1998

Supplemental Security Income: A Bridge to Work

Myths about SSI

Many people who are eligible for SSI do not benefit from the program because they have heard things about the program that are not true. Some myths about SSI may have discouraged them from applying in the first place. Other myths discourage people from seeking employment or taking a job because they are afraid of losing their benefits. Here are some myths about SSI that may discourage youth and young adults from applying for benefits or from taking a job if they are receiving SSI:

- People who work are not eligible for SSI.
- People who go to work will lose SSI cash benefits.
- People who go to work will lose Medicaid.
- People who earn $500 a month will lose cash and health benefits.
- SSI benefits will stop if a person goes into a training program, such as a vocational or university program.

These statements are *not* always true!

Information in this Parent Brief is meant to help people with disabilities dispel these myths and to find out if the SSI program is for them. SSI is a complex program that serves many different individuals. This information is written specifically for people with disabilities who . . .

. . . are 18 years and older;
. . . are single;
. . . pay rent or contribute to the living expenses at home or who live away from the family home;
. . . are either in or out of school; and
. . . have disabilities other than blindness.

EC 306235

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If you are a young adult with a disability and have not applied for Supplemental Security Income (SSI),
WHY NOT?

Disability . . . *The Social Security Administration defines disability as a physical and or mental impairment that prevents an individual from doing substantial gainful work activity and is likely to last more than 12 months or result in death. For SSI purposes, the individual must not be able to engage in any kind of substantial gainful work which exists in the national economy regardless of whether jobs are available locally, accessible to individuals with disabilities, or the individuals desire to have the job.*

What is SSI?

SSI stands for Supplemental Security Income and is one of the most important federal programs for people with disabilities. SSI is an income support program and provides monthly payments to persons who have disabilities and have limited income and resources. It is not necessary to have worked to be eligible for SSI. You can be considered for SSI regardless of your age, and whether or not you are single or married.

SSI may be used as a financial support for you during periods that you are able to work only minimum hours or are in the process of finding employment. SSI benefits can also be received while in vocational training or attending post-secondary institutions. Almost everyone who receives SSI is also eligible to have health care coverage through Medicaid.

While you receive SSI, you will have the opportunity to learn job skills and develop knowledge of the workplace. Your parents and service providers will realize that you are able to work and can help you plan and resolve work related issues for the future. SSI rules also allow you to take deductions for the cost of special work related expenses connected to your disability while working, training for a job, or attending postsecondary institutions.

This brief is meant to help you review all aspects of SSI as you begin to make the transition from school to work and life in the community.

Who is eligible to receive SSI?

In general, you are likely to be eligible for SSI if you meet both disability and financial criteria.

- ***Disability Criteria:*** *This means that you must be a person with a physical or mental disability.*
- ***Financial Criteria:*** *There are two types of financial assets that are considered when you apply for SSI:*
  - *—Income: You are either not working or you are working but earning less than $500 gross a month when you apply. The $500 amount is the 1998 level of Substantial Gainful Activity (SGA) or earnings from a job, that a person may have and still be eligible for SSI. Disability work-related expenses are deducted when figuring this amount.*
  - *—Resources: The money you have in the bank and other assets are under $2,000.*

What are the Benefits of Being on SSI?

There are two main advantages to being on SSI as a young adult. First, SSI can provide financial income up to $494 a month for eligible single people in 1998. This is financial support that can help pay basic living expenses. It can also be especially helpful . . .

. . . While making the transition from school to work;
. . . During periods of training or attending postsecondary school; and
. . . While working at low-paying or part-time employment.

A second major benefit of SSI is that qualifying for SSI usually allows you to apply for and receive Medicaid (called Medical Assistance in some states), which can pay health care expenses such as doctors appointments, therapy, and prescription drugs.

Formula for calculating SSI benefits

The order of exclusion is important as it can influence the payment amount. From gross earned income, subtract:

1. *$20.00 General income exclusion.*
2. *$65.00 Earned income exclusion.*
3. *Impairment Related Work Expenses (IRWE), if applicable.*
4. *Divide the remaining amount in half.*

The balance is SSI countable income and is subtracted from the full monthly SSI benefit a person would receive if not working.

Financial Work Incentives 1619a

Once established as a SSI recipient, you may mistakenly feel that you are risking financial support if you seek and find employment. Losing financial support is usually a myth. Work incentives may allow you to receive a paycheck and still keep part of your SSI cash and retain Medicaid benefits. For every two dollars earned, one dollar is deducted from SSI's payment. This is calculated after the general income exclusion of $20 per month and the earned income exclusion of $65 per month are deducted. (Impairment related work expenses can also be deducted if applicable and will be described later). Financially this results in significantly more income for you than being only on SSI and not working or working and not receiving SSI *(see Example 1)*.

In Minnesota, for example, if an individual receives the maximum SSI benefit rate of $494.00 (1998) when he or she begins to work, the break-even point will occur at $1073 per month. The break-even point is where SSI payments reach zero *(see Example 2)*. It is important to check what the break-even point is in each state since some states supplement the federal SSI payments. Medicaid may still be received through health work incentives.

Example 2:

$1073.00	Gross income
-85.00	General and Earned Income Exclusion *($65 +$20 = $85)*
$ 988.00	
$ 988.00	Divide this amount by 2
÷ 2	One-half of income is deducted after exclusions
= 494.00	SSI countable income
$ 494.00	SSI Federal monthly benefit rate, 1998
-494.00	SSI countable income
0.00	SSI payment
+1073.00	Earned gross income
$1073.00	Total gross earnings

Example 1:

$420.00	Gross income *(earned through competitive or supported employment)*
-20.00	General income exclusion *(unearned income, such as bank interest, is deducted from the $20 exclusion)*
400.00	
-65.00	Earned income exclusion
$335.00	
$335.00	Divide this amount by 2
÷ 2	1/2 of income is deducted after exclusions
=167.50	SSI countable income
$494.00	SSI Federal monthly benefit rate, 1998
-167.50	SSI countable income
326.50	Adjusted SSI payment
+420.00	Earned gross income
$746.50	Total gross earnings

Differences in Monthly Income

SSI & Not Working	Working & Not Receiving SSI	SSI + Work
$494.00	$420.00	$746.50

SSI Health Work Incentive 1619b

Health coverage is critical for young adults with disabilities. Many individuals have medical needs that are covered by Medicaid but do not have access to other health insurance coverage that would provide the same coverage. Part-time jobs and entry level positions rarely include medical benefits, and health insurance coverage through a parent usually ends when the dependent reaches age 22. The fear of losing Medicaid coverage may cause you to be reluctant to seriously consider employment.

SSI allows you to keep your Medicaid benefits while working until your earnings reach the state's threshold level ($26,823 per year in 1996 for Minnesota). The threshold is determined separately for each state. To stay eligible under 1619b the coverage must be needed to allow you to continue working, and you must remain disabled and meet all other requirements such as not having assets above the limit of $2,000. Once the threshold level is reached, a review determines whether you are making enough money to purchase your own health insurance.

Resources . . . *When an individual turns age 18, the parent's income and resources are no longer considered in determining the individual's eligibility. Resources are things that an individual owns. In order for an individual to qualify for SSI, his or her resources must be under $2,000.*

Some of the resources that are counted are savings and checking accounts, stocks and bonds and life insurance. Resources that are not counted include a home, personal belongings, car or van if required for transportation to work or for medical treatment.

Impairment Related Work Expenses (IRWE)

Impairment Related Work Expenses (IRWE) are services or items that you personally pay for and are not reimbursed by any other source. These are services directly related to your disability and to enabling you to work. Filing an IRWE, when applicable, helps you retain more money because when you calculate earnings, the costs of these services or items are deducted. Impairment related work expenses may include:

- **Attendant** care services performed in the work setting, or in preparation for work or returning home from work.
- **Transportation** costs required by the disability, and structural or operational modifications made to a vehicle needed for work.
- **Medical** devices such as wheelchairs, pacemakers, or respirators.
- **Work-related** equipment such as typing aids, reading aids, telecommunications devices, or special work tools.
- **Assistants** such as interpreters, job coaches, or readers.
- **Prostheses** such as artificial replacement of an arm, hip or other parts of the body for other than a cosmetic purpose.
- **Residential** modifications such as railings, ramps, or pathways that permit access to the street or to transportation.
- **Routine** drugs and medical services such as regularly prescribed medical treatment or therapy that controls a disabling condition. Included are radiation treatments, antidepressant medication, anticonvulsant drugs and physicians' fees related to these services.

Substantial Gainful Activity . . . *Substantial gainful activity (SGA) is average countable earnings of $500.00 or more per month. SSI will deduct from a person's gross earnings, the cost of items required because of a disability that enable a person to work and/or the value of support a person needs on the job. Generally, average countable monthly wages of less than $500.00 per month in 1998 is considered less than substantial.*

Once the individual is on SSI, SGA (or work) does not affect continuing eligibility. The individual's earned income may exceed the SGA level ($500) and both SSI cash benefits and medical benefits can be received. Under SSI, SGA is used only in determining initial eligibility for disability payments.

SSI dollar amounts vary by year, state and living arrangements. In certain situations, the state may supplement these amounts. Additional information on SSI for persons with disabilities who are younger than 18, married, living at home, or blind can be obtained from your local Social Security Office. For the telephone number of your local office, call: **1-800-722-1213.**

So, if you aren't on SSI
WHY NOT?

Here are some other work incentive options available under the Social Security System:

- **Plan for Achieving Self-Support (PASS)** is a program where the purchase of equipment, services, training or education needed for work may be excluded from earnings. An individual must have a reasonable occupational goal and a plan approved by SSI.

- **Property Essential to Self-Support, or PESS,** is a program where property which is used by a person for work such as tools or equipment can be excluded from the $2,000 asset limitation.

- **The Student Earned Income Exclusion** is a program where young adults under the age of 22 and attending school may exclude $1620 per year of earned income.

For the telephone number of your local Social Security Office call,

1-800-722-1213

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